

107TH CONGRESS
1ST SESSION

H. R. 2436

To provide secure energy supplies for the people of the United States, and
for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 10, 2001

Mr. HANSEN (for himself, Mr. YOUNG of Alaska, Mr. TAUZIN, Mrs. CUBIN, Mr. THORNBERRY, Mr. OTTER, and Mr. CALVERT) introduced the following bill; which was referred to the Committee on Resources, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide secure energy supplies for the people of the
United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Energy Security Act”.

5 **SEC. 2. TABLE OF CONTENTS.**

6 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—GENERAL PROTECTIONS FOR ENERGY SUPPLY AND SECURITY

- Sec. 101. Study of existing rights-of-way on Federal lands to determine capability to support new pipelines or other transmission facilities.
- Sec. 102. Inventory of energy production potential of all Federal public lands.
- Sec. 103. Review of regulations to eliminate barriers to emerging energy technology.
- Sec. 104. Interagency agreement on environmental review of interstate natural gas pipeline projects.

TITLE II—OIL AND GAS DEVELOPMENT

Subtitle A—Offshore Oil and Gas

- Sec. 201. Short title.
- Sec. 202. Lease sales in Western and Central Planning Area of the Gulf of Mexico.
- Sec. 203. Savings clause.
- Sec. 204. Analysis of Gulf of Mexico field size distribution, international competitiveness, and incentives for development.

Subtitle B—Improvements to Federal Oil and Gas Management

- Sec. 221. Short title.
- Sec. 222. Study of impediments to efficient lease operations.
- Sec. 223. Elimination of unwarranted denials and stays.
- Sec. 224. Limitations on cost recovery for applications.
- Sec. 225. Consultation with Secretary of Agriculture.

Subtitle C—Miscellaneous

- Sec. 231. Offshore subsalt development.
- Sec. 232. Program on oil and gas royalties in kind.
- Sec. 233. Oil and Gas Technology Transfer Centers.
- Sec. 234. Marginal well production incentives.
- Sec. 235. Reimbursement for costs of NEPA analyses, documentation, and studies.

TITLE III—GEOTHERMAL ENERGY DEVELOPMENT

- Sec. 301. Royalty reduction and relief.
- Sec. 302. Exemption from royalties for direct use of low temperature geothermal energy resources.
- Sec. 303. Amendments relating to leasing on Forest Service lands.
- Sec. 304. Deadline for determination on pending noncompetitive lease applications.
- Sec. 305. Opening of public lands under military jurisdiction.
- Sec. 306. Application of amendments.
- Sec. 307. Review and report to Congress.
- Sec. 308. Reimbursement for costs of NEPA analyses, documentation, and studies.

TITLE IV—HYDROPOWER

- Sec. 401. Study and report on increasing electric power production capability of existing facilities.
- Sec. 402. Installation of powerformer at Folsom power plant, California.

- Sec. 403. Conservation through pump modernization.
- Sec. 404. Study and implementation of increased operational efficiencies in hydroelectric power projects.
- Sec. 405. Shift of project loads to off-peak periods.

TITLE V—ARCTIC COASTAL PLAIN DOMESTIC ENERGY

- Sec. 501. Short title.
- Sec. 502. Definitions.
- Sec. 503. Leasing program for lands within the Coastal Plain.
- Sec. 504. Lease sales.
- Sec. 505. Grant of leases by the Secretary.
- Sec. 506. Lease terms and conditions.
- Sec. 507. Coastal Plain environmental protection.
- Sec. 508. Expedited judicial review.
- Sec. 509. Rights-of-way across the Coastal Plain.
- Sec. 510. Conveyance.
- Sec. 511. Local government impact aid and community service assistance.

1 **TITLE I—GENERAL PROTEC-** 2 **TIONS FOR ENERGY SUPPLY** 3 **AND SECURITY**

4 **SEC. 101. STUDY OF EXISTING RIGHTS-OF-WAY ON FED-** 5 **ERAL LANDS TO DETERMINE CAPABILITY TO** 6 **SUPPORT NEW PIPELINES OR OTHER TRANS-** 7 **MISSION FACILITIES.**

8 (a) IN GENERAL.—Within one year after the date of
9 enactment of this Act, the head of each Federal agency
10 that has authorized a right-of-way across Federal lands
11 for transportation of energy supplies or transmission of
12 electricity shall review each such right-of-way and submit
13 a report to the Secretary of Energy and the Chairman
14 of the Federal Energy Regulatory Commission
15 regarding—

- 16 (1) whether the right-of-way can be used to
- 17 support new or additional capacity; and

1 (2) what modifications or other changes, if any,
2 would be necessary to accommodate such additional
3 capacity.

4 (b) CONSULTATIONS AND CONSIDERATIONS.—In per-
5 forming the review, the head of each agency shall—

6 (1) consult with agencies of State or local units
7 of government as appropriate; and

8 (2) consider whether safety or other concerns
9 related to current uses might preclude the avail-
10 ability of a right-of-way for additional or new trans-
11 portation or transmission facilities, and set forth
12 those considerations in the report.

13 **SEC. 102. INVENTORY OF ENERGY PRODUCTION POTEN-**
14 **TIAL OF ALL FEDERAL PUBLIC LANDS.**

15 (a) INVENTORY REQUIREMENT.—The Secretary of
16 the Interior, in consultation with the Secretary of Agri-
17 culture and the Secretary of Energy, shall conduct an in-
18 ventory of the energy production potential of all Federal
19 public lands other than national park lands and lands in
20 any wilderness area, with respect to wind, solar, coal, and
21 geothermal power production.

22 (b) LIMITATIONS.—

23 (1) IN GENERAL.—The Secretary shall not in-
24 clude in the inventory under this section the matters

1 to be identified in the inventory under section 604
2 of the Energy Act of 2000 (42 U.S.C. 6217).

3 (2) WIND AND SOLAR POWER.—The inventory
4 under this section—

5 (A) with respect to wind power production
6 shall be limited to sites having a mean average
7 wind speed—

8 (i) exceeding 12.5 miles per hour at a
9 height of 33 feet; and

10 (ii) exceeding 15.7 miles per hour at
11 a height of 164 feet;

12 (B) with respect to solar power
13 production—

14 (i) shall be limited to areas rated as
15 receiving 450 watts per square meter or
16 greater; and

17 (ii) may exclude Alaska.

18 (b) EXAMINATION OF RESTRICTIONS AND IMPEDI-
19 MENTS.—The inventory shall identify the extent and na-
20 ture of any restrictions or impediments to the development
21 of such energy production potential.

22 (c) GEOTHERMAL POWER.—The inventory shall in-
23 clude an update of the 1978 Assessment of Geothermal
24 Resources by the United States Geological Survey.

25 (d) COMPLETION AND UPDATING.—The Secretary—

1 (1) shall complete the inventory by not later
2 than 2 years after the date of the enactment of this
3 Act; and

4 (2) shall update the inventory regularly there-
5 after.

6 (e) REPORTS.—The Secretary shall submit to the
7 Committee on Resources of the House of Representatives
8 and to the Committee on Energy and Natural Resources
9 of the Senate and make publicly available—

10 (1) a report containing the inventory under this
11 section, by not later than 2 years after the effective
12 date of this section; and

13 (2) each update of such inventory.

14 **SEC. 103. REVIEW OF REGULATIONS TO ELIMINATE BAR-**
15 **RIERS TO EMERGING ENERGY TECHNOLOGY.**

16 (a) IN GENERAL.—Each Federal agency shall carry
17 out a review of its regulations and standards to determine
18 those that act as a barrier to market entry for emerging
19 energy-efficient technologies, including fuel cells, combined
20 heat and power, and distributed generation (including
21 small-scale renewable energy).

22 (b) REPORT TO CONGRESS.—No later than 18
23 months after date of enactment of this Act, each agency
24 shall provide a report to the Congress and the President
25 detailing all regulatory barriers to emerging energy-effi-

cient technologies, along with actions the agency intends to take, or has taken, to remove such barriers.

(c) PERIODIC REVIEW.—Each agency shall subsequently review its regulations and standards in this manner no less frequently than every 5 years, and report their findings to the Congress and the President. Such reviews shall include a detailed analysis of all agency actions taken to remove existing barriers to emerging energy technologies.

**SEC. 104. INTERAGENCY AGREEMENT ON ENVIRONMENTAL
REVIEW OF INTERSTATE NATURAL GAS PIPE-
LINE PROJECTS.**

(a) IN GENERAL.—The Secretary of Energy, in coordination with the Federal Energy Regulatory Commission, shall establish an administrative interagency task force to develop an interagency agreement to expedite and facilitate the environmental review and permitting of interstate natural gas pipeline projects.

(b) TASK FORCE MEMBERS.—The task force shall include a representative of each of the Bureau of Land Management, the United States Fish and Wildlife Service, the Army Corps of Engineers, the Forest Service, the Environmental Protection Agency, the Advisory Council on Historic Preservation, and such other agencies as the Sec-

1 retary of Energy and the Federal Energy Regulatory
 2 Commission consider appropriate.

3 (c) TERMS OF AGREEMENT.—The interagency agree-
 4 ment shall require that agencies complete their review of
 5 interstate pipeline projects within a specific period of time
 6 after referral of the matter by the Federal Energy Regu-
 7 latory Commission.

8 (d) SUBMITTAL OF AGREEMENT.—The Secretary of
 9 Energy shall submit a final interagency agreement under
 10 this section to the Congress by not later than 6 months
 11 after the effective date of this section.

12 **TITLE II—OIL AND GAS** 13 **DEVELOPMENT**

14 **Subtitle A—Offshore Oil and Gas**

15 **SEC. 201. SHORT TITLE.**

16 This subtitle may be referred to as the “Royalty Re-
 17 lief Extension Act of 2001”.

18 **SEC. 202. LEASE SALES IN WESTERN AND CENTRAL PLAN-** 19 **NING AREA OF THE GULF OF MEXICO.**

20 (a) IN GENERAL.—For all tracts located in water
 21 depths of greater than 200 meters in the Western and
 22 Central Planning Area of the Gulf of Mexico, including
 23 that portion of the Eastern Planning Area of the Gulf of
 24 Mexico encompassing whole lease blocks lying west of 87
 25 degrees, 30 minutes West longitude, any oil or gas lease

1 sale under the Outer Continental Shelf Lands Act occur-
2 ring within 2 years after the date of enactment of this
3 Act shall use the bidding system authorized in section
4 8(a)(1)(H) of the Outer Continental Shelf Lands Act (30
5 U.S.C. 1337(a)(1)(H)), except that the suspension of roy-
6 alties shall be set at a volume of not less than the fol-
7 lowing:

8 (1) 17.5 million barrels of oil equivalent for
9 fields in water depths of 200 to 400 meters.

10 (2) 52.5 million barrels of oil equivalent for
11 fields in 400 to 800 meters of water.

12 (3) 9 million barrels of oil equivalent for each
13 lease in water depths of 800 to 1,600 meters.

14 (4) 12 million barrels of oil equivalent for each
15 lease in water depths greater than 1,600 meters.

16 (b) RELATIONSHIP TO EXISTING AUTHORITY.—Ex-
17 cept as expressly provided in this section, nothing in this
18 section is intended to limit the authority of the Secretary
19 of the Interior under the Outer Continental Shelf Lands
20 Act (43 U.S.C. 1301 et seq.) to provide royalty suspen-
21 sion.

22 **SEC. 203. SAVINGS CLAUSE.**

23 Nothing in this subtitle shall be construed to affect
24 any offshore pre-leasing, leasing, or development morato-
25 rium, including any moratorium applicable to the Eastern

1 Planning Area of the Gulf of Mexico located off the Gulf
2 Coast of Florida.

3 **SEC. 204. ANALYSIS OF GULF OF MEXICO FIELD SIZE DIS-**
4 **TRIBUTION, INTERNATIONAL COMPETITIVE-**
5 **NESS, AND INCENTIVES FOR DEVELOPMENT.**

6 (a) IN GENERAL.—The Secretary of the Interior and
7 the Secretary of Energy shall enter into appropriate ar-
8 rangements with the National Academy of Sciences to
9 commission the Academy to perform the following:

10 (1) Conduct an analysis and review of existing
11 Gulf of Mexico oil and natural gas resource assess-
12 ments, including—

13 (A) analysis and review of assessments re-
14 cently performed by the Minerals Management
15 Service, the 1999 National Petroleum Council
16 Gas Study, the Department of Energy's Off-
17 shore Marginal Property Study, and the Ad-
18 vanced Resources International, Inc. Deepwater
19 Gulf of Mexico model; and

20 (B) evaluation and comparison of the accu-
21 racy of assumptions of the existing assessments
22 with respect to resource field size distribution,
23 hydrocarbon potential, and scenarios for leas-
24 ing, exploration, and development.

1 (2) Evaluate the lease terms and conditions of-
2 ferred by the Minerals Management Service for Lease
3 Sale 178, and compare the financial incentives of-
4 ferred by such terms and conditions to financial in-
5 centives offered by the terms and conditions that
6 apply under leases for other offshore areas that are
7 competing for the same limited offshore oil and gas
8 exploration and development capital, including off-
9 shore areas of West Africa and Brazil.

10 (3) Recommend what level of incentives for all
11 water depths are appropriate in order to ensure that
12 the United States optimizes the domestic supply of
13 oil and natural gas from the offshore areas of the
14 Gulf of Mexico that are not subject to current leas-
15 ing moratoria. Recommendations under this para-
16 graph should be made in the context of the impor-
17 tance of the oil and natural gas resources of the
18 Gulf of Mexico to the future energy and economic
19 needs of the United States.

20 (b) REPORT.—Not later than 180 days after the date
21 of enactment of this Act, the Secretary of the Interior
22 shall submit a report to the Committee on Resources in
23 the House of Representatives and the Committee on En-
24 ergy and Natural Resources in the Senate, summarizing
25 the findings of the National Academy of Sciences pursuant

1 to subsection (a) and providing recommendations of the
2 Secretary for new policies or other actions that could help
3 to further increase oil and natural gas production from
4 the Gulf of Mexico.

5 **Subtitle B—Improvements to**
6 **Federal Oil and Gas Management**

7 **SEC. 221. SHORT TITLE.**

8 This subtitle may be cited as the “Federal Oil and
9 Gas Lease Management Improvement Demonstration Pro-
10 gram Act of 2001”.

11 **SEC. 222. STUDY OF IMPEDIMENTS TO EFFICIENT LEASE**
12 **OPERATIONS.**

13 (a) IN GENERAL.—The Secretary of the Interior and
14 the Secretary of Agriculture shall jointly undertake a
15 study of the impediments to efficient oil and gas leasing
16 and operations on Federal onshore lands in order to iden-
17 tify means by which unnecessary impediments to the expe-
18 ditious exploration and production of oil and natural gas
19 on such lands can be removed.

20 (b) CONTENTS.—The study under subsection (a)
21 shall include the following:

22 (1) A review of the process by which Federal
23 land managers accept or reject an offer to lease, in-
24 cluding the timeframes in which such offers are
25 acted upon, the reasons for any delays in acting

1 upon such offers, and any recommendations for ex-
2 pediting the response to such offers.

3 (2) A review of the approval process for appli-
4 cations for permits to drill, including the timeframes
5 in which such applications are approved, the impact
6 of compliance with other Federal laws on such time-
7 frames, any other reasons for delays in making such
8 approvals, and any recommendations for expediting
9 such approvals.

10 (3) A review of the approval process for surface
11 use plans of operation, including the timeframes in
12 which such applications are approved, the impact of
13 compliance with other Federal laws on such time-
14 frames, any other reasons for delays in making such
15 approvals, and any recommendations for expediting
16 such approvals.

17 (4) A review of the process for administrative
18 appeal of decisions or orders of officers or employees
19 of the Bureau of Land Management with respect to
20 a Federal oil or gas lease, including the timeframes
21 in which such appeals are heard and decided, any
22 reasons for delays in hearing or deciding such ap-
23 peals, and any recommendations for expediting the
24 appeals process.

1 (c) REPORT.—The Secretaries shall report the find-
2 ings and recommendations resulting from the study re-
3 quired by this section to the Committee on Resources of
4 the House of Representatives and to the Committee on
5 Energy and Natural Resources of the Senate no later than
6 6 months after the date of the enactment of this Act.

7 **SEC. 223. ELIMINATION OF UNWARRANTED DENIALS AND**
8 **STAYS.**

9 (a) IN GENERAL.—The Secretary shall ensure that
10 unwarranted denials and stays of lease issuance and un-
11 warranted restrictions on lease operations are eliminated
12 from the administration of oil and natural gas leasing on
13 Federal land.

14 (b) LAND DESIGNATED FOR MULTIPLE USE.—Fed-
15 eral land available for oil and natural gas leasing under
16 any Bureau of Land Management resource management
17 plan or Forest Service leasing analysis shall be available
18 without lease stipulations more stringent than restrictions
19 on surface use and operations imposed under the laws (in-
20 cluding regulations) of the oil and natural gas conserva-
21 tion authority of the State in which the lands are located,
22 unless the Secretary includes in the decision approving the
23 management plan or leasing analysis or in the Secretary's
24 acceptance of an offer to lease a written explanation why
25 more stringent stipulations are warranted.

1 (c) REJECTION OF OFFER TO LEASE.—

2 (1) IN GENERAL.—If the Secretary rejects an
3 offer to lease Federal lands for oil or natural gas de-
4 velopment on the ground that the land is unavailable
5 for oil and natural gas leasing, the Secretary shall
6 provide a written, detailed explanation of the reasons
7 the land is unavailable for leasing.

8 (2) PREVIOUS RESOURCE MANAGEMENT DECISION.—If the determination of unavailability is
9 based on a previous resource management decision,
10 the explanation shall include a careful assessment of
11 whether the reasons underlying the previous decision
12 are still persuasive.

14 (3) SEGREGATION OF AVAILABLE LAND FROM
15 UNAVAILABLE LAND.—The Secretary may not reject
16 an offer to lease Federal land for oil and natural gas
17 development that is available for such leasing on the
18 ground that the offer includes land unavailable for
19 leasing. The Secretary shall segregate available land
20 from unavailable land, on the offeror's request fol-
21 lowing notice by the Secretary, before acting on the
22 offer to lease.

23 (d) DISAPPROVAL OR REQUIRED MODIFICATION OF
24 SURFACE USE PLANS OF OPERATIONS AND APPLICATION
25 FOR PERMIT TO DRILL.—The Secretary shall provide a

1 written, detailed explanation of the reasons for dis-
 2 approving or requiring modifications of any surface use
 3 plan of operations or application for permit to drill with
 4 respect to oil or natural gas development on Federal lands.

5 **SEC. 224. LIMITATION ON COST RECOVERY FOR APPLICA-**
 6 **TIONS.**

7 Notwithstanding sections 304 and 504 of the Federal
 8 Land Policy and Management Act of 1976 (43 U.S.C.
 9 1734, 1764) and section 9701 of title 31, United States
 10 Code, the Secretary shall not recover the Secretary's costs
 11 with respect to applications and other documents relating
 12 to oil and gas leases.

13 **SEC. 225. CONSULTATION WITH SECRETARY OF AGRI-**
 14 **CULTURE.**

15 Section 17(h) of the Mineral Leasing Act (30 U.S.C.
 16 226(h)) is amended to read as follows:

17 “(h) In issuing any lease on National Forest System
 18 lands reserved from the public domain, the Secretary of
 19 the Interior shall consult with the Secretary of Agriculture
 20 in determining stipulations on surface use under the lease.

21 **Subtitle C—Miscellaneous**

22 **SEC. 231. OFFSHORE SUBSALT DEVELOPMENT.**

23 Section 5 of the Outer Continental Shelf Lands Act
 24 of 1953 (43 U.S.C. 1334) is amended by adding at the
 25 end the following:

1 “(k) SUSPENSION OF OPERATIONS FOR SUBSALT
2 EXPLORATION.—Notwithstanding any other provision of
3 law or regulation, to prevent waste caused by the drilling
4 of unnecessary wells and to facilitate the discovery of addi-
5 tional hydrocarbon reserves, the Secretary may grant a re-
6 quest for a suspension of operations under any lease to
7 allow the reprocessing and reinterpretation of geophysical
8 data to identify and define drilling objectives beneath
9 allocthonous salt sheets.”.

10 **SEC. 232. PROGRAM ON OIL AND GAS ROYALTIES IN KIND.**

11 (a) APPLICABILITY OF SECTION.—Notwithstanding
12 any other provision of law, the provisions of this section
13 shall apply to all royalty in kind accepted by the Secretary
14 of the Interior under any Federal oil or gas lease or permit
15 under section 36 of the Mineral Leasing Act (30 U.S.C.
16 192), section 27 of the Outer Continental Shelf Lands Act
17 (43 U.S.C. 1353), or any other mineral leasing law, in
18 the period beginning on the date of enactment of this Act
19 through September 30, 2006.

20 (b) TERMS AND CONDITIONS.—All royalty accruing
21 to the United States under any Federal oil or gas lease
22 or permit under the Mineral Leasing Act (30 U.S.C. 181
23 et seq.) or the Outer Continental Shelf Lands Act (43
24 U.S.C. 1331 et seq.) shall, on the demand of the Secretary
25 of the Interior, be paid in oil or gas. If the Secretary of

1 the Interior makes such a demand, the following provi-
2 sions apply to such payment:

3 (1) Delivery by, or on behalf of, the lessee of
4 the royalty amount and quality due under the lease
5 satisfies the lessee's royalty obligation for the
6 amount delivered, except that transportation and
7 processing reimbursements paid to, or deductions
8 claimed by, the lessee shall be subject to review and
9 audit.

10 (2) Royalty production shall be placed in mar-
11 ketable condition by the lessee at no cost to the
12 United States.

13 (3) The Secretary of the Interior may—

14 (A) sell or otherwise dispose of any royalty
15 oil or gas taken in kind for not less than the
16 market price; and

17 (B) transport or process any oil or gas roy-
18 alty taken in kind.

19 (4) The Secretary of the Interior may, notwith-
20 standing section 3302 of title 31, United States
21 Code, retain and use a portion of the revenues from
22 the sale of oil and gas royalties taken in kind that
23 otherwise would be deposited to miscellaneous re-
24 ceipts, without regard to fiscal year limitation, or
25 may use royalty production, to pay the cost of—

1 (A) transporting the oil or gas,

2 (B) processing the gas, or

3 (C) disposing of the oil or gas.

4 (5) The Secretary may not use revenues from
5 the sale of oil and gas royalties taken in kind to pay
6 for personnel, travel, or other administrative costs of
7 the Federal Government.

8 (c) REIMBURSEMENT OF COST.—If the lessee, pursu-
9 ant to an agreement with the United States or as provided
10 in the lease, processes the royalty gas or delivers the roy-
11 alty oil or gas at a point not on or adjacent to the lease
12 area, the Secretary of the Interior shall—

13 (1) reimburse the lessee for the reasonable costs
14 of transportation (not including gathering) from the
15 lease to the point of delivery or for processing costs;
16 or

17 (2) at the discretion of the Secretary of the In-
18 terior, allow the lessee to deduct such transportation
19 or processing costs in reporting and paying royalties
20 in value for other Federal oil and gas leases.

21 (d) BENEFIT TO THE UNITED STATES REQUIRED.—
22 The Secretary may receive oil or gas royalties in kind only
23 if the Secretary determines that receiving such royalties
24 provides benefits to the United States greater than or

1 equal to those that would be realized under a comparable
2 royalty in value program.

3 (e) REPORT TO CONGRESS.—For each of the fiscal
4 years 2002 through 2006 in which the United States takes
5 oil or gas royalties in kind from production in any State
6 or from the Outer Continental Shelf, excluding royalties
7 taken in kind and sold to refineries under subsection (h),
8 the Secretary of the Interior shall provide a report to the
9 Congress describing—

10 (1) the methodology or methodologies used by
11 the Secretary to determine compliance with sub-
12 section (d), including performance standards for
13 comparing amounts received by the United States
14 derived from such royalties in kind to amounts likely
15 to have been received had royalties been taken in
16 value;

17 (2) an explanation of the evaluation that led the
18 Secretary to take royalties in kind from a lease or
19 group of leases, including the expected revenue effect
20 of taking royalties in kind;

21 (3) actual amounts received by the United
22 States derived from taking royalties in kind, and
23 costs and savings incurred by the United States as-
24 sociated with taking royalties in kind; and

1 (4) an evaluation of other relevant public bene-
2 fits or detriments associated with taking royalties in
3 kind.

4 (f) DEDUCTION OF EXPENSES.—

5 (1) IN GENERAL.—Before making payments
6 under section 35 of the Mineral Leasing Act (30
7 U.S.C. 191) or section 8(g) of the Outer Continental
8 Shelf Lands Act (30 U.S.C. 1337(g)) of revenues
9 derived from the sale of royalty production taken in
10 kind from a lease, the Secretary of the Interior shall
11 deduct amounts paid or deducted under subsections
12 (b)(4) and (c), and shall deposit such amounts to
13 miscellaneous receipts.

14 (2) ACCOUNTING FOR DEDUCTIONS.—If the
15 Secretary of the Interior allows the lessee to deduct
16 transportation or processing costs under subsection
17 (c), the Secretary may not reduce any payments to
18 recipients of revenues derived from any other Fed-
19 eral oil and gas lease as a consequence of that de-
20 duction.

21 (g) CONSULTATION WITH STATES.—The Secretary
22 of the Interior—

23 (1) shall consult with a State before conducting
24 a royalty in kind program under this title within the
25 State, and may delegate management of any portion

1 of the Federal royalty in kind program to such State
2 except as otherwise prohibited by Federal law; and

3 (2) shall consult annually with any State from
4 which Federal oil or gas royalty is being taken in
5 kind to ensure to the maximum extent practicable
6 that the royalty in kind program provides revenues
7 to the State greater than or equal to those which
8 would be realized under a comparable royalty in
9 value program.

10 (h) PROVISIONS FOR SMALL REFINERIES.—

11 (1) PREFERENCE.—If the Secretary of the In-
12 terior determines that sufficient supplies of crude oil
13 are not available in the open market to refineries not
14 having their own source of supply for crude oil, the
15 Secretary may grant preference to such refineries in
16 the sale of any royalty oil accruing or reserved to the
17 United States under Federal oil and gas leases
18 issued under any mineral leasing law, for processing
19 or use in such refineries at private sale at not less
20 than the market price.

21 (2) PRORATION AMONG REFINERIES IN PRO-
22 Duction AREA.—In disposing of oil under this sub-
23 section, the Secretary of the Interior may, at the
24 discretion of the Secretary, prorate such oil among

1 such refineries in the area in which the oil is pro-
2 duced.

3 (i) DISPOSITION TO FEDERAL AGENCIES.—

4 (1) ONSHORE ROYALTY.—Any royalty oil or gas
5 taken by the Secretary in kind from onshore oil and
6 gas leases may be sold at not less than the market
7 price to any department or agency of the United
8 States.

9 (2) OFFSHORE ROYALTY.—Any royalty oil or
10 gas taken in kind from Federal oil and gas leases on
11 the Outer Continental Shelf may be disposed of only
12 under section 27 of the Outer Continental Shelf
13 Lands Act (43 U.S.C. 1353).

14 (j) PREFERENCE FOR FEDERAL LOW-INCOME EN-
15 ERGY ASSISTANCE PROGRAMS.—In disposing of royalty oil
16 or gas taken in kind under this section, the Secretary may
17 grant a preference to any person, including any State or
18 Federal agency, for the purpose of providing additional re-
19 sources to any Federal low-income energy assistance pro-
20 gram.

21 **SEC. 233. OIL AND GAS TECHNOLOGY TRANSFER CENTERS.**

22 (a) IN GENERAL.—The Secretary of the Interior may
23 establish and operate in accordance with this section re-
24 gional centers administered by the United States Geologi-
25 cal Survey. Each such center shall be known as an United

1 States Geological Survey Oil and Gas Technology Transfer
2 Center.

3 (b) PARTNERSHIP.—Each Center shall be established
4 and operated under a partnership with the government of
5 the State in which the Center is located, through the agen-
6 cy of the State that is responsible for geological survey
7 activities.

8 (c) FUNCTIONS.—The Secretary, through each such
9 Center, shall—

10 (1) conduct oil and natural gas exploration and
11 production research in the region in which the Cen-
12 ter is located; and

13 (2) archive and provide public access to data re-
14 garding oil and natural gas reserves and production
15 in the region, including information developed
16 through research under paragraph (1).

17 (d) RESEARCH.—

18 (1) COST SHARING.—The Federal share of the
19 cost of research conducted under this section may
20 not exceed 50 percent.

21 (2) PRIVATE CONTRIBUTIONS.—The
22 Secretary—

23 (A) may accept private contributions of
24 property and services for research conducted
25 under this section; and

1 (B) shall apply the value of such contribu-
2 tions to the non-Federal share of the costs of
3 such research.

4 **SEC. 234. MARGINAL WELL PRODUCTION INCENTIVES.**

5 To enhance the economics of marginal oil and gas
6 production by increasing the ultimate recovery from mar-
7 ginal wells when the cash price of West Texas Inter-
8 mediate crude oil, as posted on the Dow Jones Commod-
9 ities Index chart, is less than \$15 per barrel for 180 con-
10 secutive pricing days or when the price of natural gas de-
11 livered at Henry Hub, Louisiana, is less than \$2.00 per
12 million British thermal units for 180 consecutive days, the
13 Secretary shall reduce the royalty rate as production de-
14 clines for—

15 (1) onshore oil wells producing less than 30
16 barrels per day;

17 (2) onshore gas wells producing less than 120
18 million British thermal units per day;

19 (3) offshore oil wells producing less than 300
20 barrels of oil per day; and

21 (4) offshore gas wells producing less than 1,200
22 million British thermal units per day.

1 **SEC. 235. REIMBURSEMENT FOR COSTS OF NEPA ANAL-**
2 **YSES, DOCUMENTATION, AND STUDIES.**

3 The Mineral Leasing Act (30 U.S.C. 181 et seq.) is
4 amended by inserting after section 37 the following:

5 “REIMBURSEMENT FOR COSTS OF CERTAIN ANALYSES,
6 DOCUMENTATION, AND STUDIES

7 “SEC. 38. (a) IN GENERAL.—The Secretary of the
8 Interior shall reimburse a person who is a lessee, operator,
9 operating rights owner, or applicant for an oil or gas lease
10 under this Act for costs incurred by the person in pre-
11 paring any project-level analysis, documentation, or re-
12 lated study required under the National Environmental
13 Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect
14 to the lease, through royalty credits attributable to the
15 lease, unit agreement, or project area for which the anal-
16 ysis, documentation, or related study is prepared.

17 “(b) CONDITIONS.—The Secretary shall provide re-
18 imbursement under subsection (b) only if—

19 “(1) adequate funding to enable the Secretary
20 to timely prepare the analysis, documentation, or re-
21 lated study is not appropriated;

22 “(2) the person paid the costs voluntarily; and

23 “(3) the person maintains records of its costs
24 in accordance with regulations prescribed by the
25 Secretary.”.

1 (c) APPLICATION.—The amendments made by this
 2 section shall apply with respect to any lease entered into
 3 before, on, or after the date of the enactment of this Act.

4 (d) DEADLINE FOR REGULATIONS.—The Secretary
 5 shall issue regulations implementing the amendments
 6 made by this section by not later than 90 days after the
 7 date of the enactment of this Act.

8 **TITLE III—GEOTHERMAL** 9 **ENERGY DEVELOPMENT**

10 **SEC. 301. ROYALTY REDUCTION AND RELIEF.**

11 (a) ROYALTY REDUCTION.—Section 5(a) of the Geo-
 12 thermal Steam Act of 1970 (30 U.S.C. 1004(a)) is amend-
 13 ed by striking “not less than 10 per centum or more than
 14 15 per centum” and inserting “not more than 8 per cen-
 15 tum”.

16 (b) ROYALTY RELIEF.—

17 (1) IN GENERAL.—Notwithstanding section 5 of
 18 the Geothermal Steam Act of 1970 (30 U.S.C.
 19 1004(a)) and any provision of any lease under that
 20 Act, no royalty is required to be paid under any
 21 qualified geothermal energy lease with respect to
 22 commercial production of heat or energy from a fa-
 23 cility that begins such production in the 5-year pe-
 24 riod beginning on the date of the enactment of this
 25 Act.

1 (2) 3-YEAR APPLICATION.—Paragraph (2) ap-
 2 plies only to commercial production of heat or en-
 3 ergy from a facility in the first 3 years of such pro-
 4 duction.

5 (3) QUALIFIED GEOTHERMAL ENERGY LEASE
 6 DEFINED.—The term “qualified geothermal energy”
 7 means a lease under the Geothermal Steam Act of
 8 1970 (30 U.S.C. 1001 et seq.)—

9 (A) that was executed before the end of
 10 the 5-year period beginning on the date of the
 11 enactment of this Act; and

12 (B) under which no commercial production
 13 of any form of heat or energy occurred before
 14 the date of the enactment of this Act.

15 **SEC. 302. EXEMPTION FROM ROYALTIES FOR DIRECT USE**
 16 **OF LOW TEMPERATURE GEOTHERMAL EN-**
 17 **ERGY RESOURCES.**

18 Section 5 of the Geothermal Steam Act of 1970 (30
 19 U.S.C. 1004) is amended—

20 (1) in paragraph (c) by redesignating subpara-
 21 graphs (1) and (2) as subparagraphs (A) and (B);
 22 (2) by redesignating paragraphs (a) through (d)
 23 in order as paragraphs (1) through (4);

1 (3) by moving paragraphs (1) through (4), as
 2 so redesignated (including subparagraphs (A)
 3 through (B) of paragraph (3)), 2 ems to the right;
 4 (4) by inserting “(a) IN GENERAL.—” after
 5 “SEC. 5.”; and

6 (5) by adding at the end the following new sub-
 7 section:

8 “(b) EXEMPTION FOR USE OF LOW TEMPERATURE
 9 RESOURCES.—

10 “(1) IN GENERAL.—In lieu of any royalty or
 11 rental under subsection (a), a lease for qualified de-
 12 velopment and direct utilization of low temperature
 13 geothermal resources shall provide for payment by
 14 the lessee of an annual fee of not less than \$100,
 15 and not more than \$1,000, in accordance with the
 16 schedule issued under paragraph (2).

17 “(2) SCHEDULE.—The Secretary shall issue a
 18 schedule of fees under this section under which a fee
 19 is based on the scale of development and utilization
 20 to which the fee applies.

21 “(3) DEFINITIONS.—In this subsection:

22 “(A) LOW TEMPERATURE GEOTHERMAL
 23 RESOURCES.—The term ‘low temperature geo-
 24 thermal resources’ means geothermal steam and

1 associated geothermal resources having a tem-
 2 perature of less than 195 degrees Fahrenheit.

3 “(B) QUALIFIED DEVELOPMENT AND DI-
 4 RECT UTILIZATION.—The term ‘qualified devel-
 5 opment and direct utilization’ means develop-
 6 ment and utilization in which all products of
 7 geothermal resources, other than any heat uti-
 8 lized, are returned to the geothermal formation
 9 from which they are produced.”.

10 **SEC. 303. AMENDMENTS RELATING TO LEASING ON FOREST**
 11 **SERVICE LANDS.**

12 The Geothermal Steam Act of 1970 is amended—
 13 (1) in section 15(b) (30 U.S.C. 1014(b)) is
 14 amended by striking “with the consent of, and”; and
 15 (2) section 28(e) (30 U.S.C. 1026(e)) is amend-
 16 ed by striking “in determining whether to consent to
 17 leasing under this Act” and inserting “in prescribing
 18 terms and conditions under section 15(b) for
 19 leases”.

20 **SEC. 304. DEADLINE FOR DETERMINATION ON PENDING**
 21 **NONCOMPETITIVE LEASE APPLICATIONS.**

22 Not later than 90 days after the date of the enact-
 23 ment of this Act, the Secretary of the Interior shall, with
 24 respect to each application pending on the date of the en-
 25 actment of this Act for a lease under the Geothermal

1 Steam Act of 1970 (30 U.S.C. 1001 et seq.), issue a final
 2 determination of—

3 (1) whether or not to conduct a lease sale by
 4 competitive bidding; and

5 (2) whether or not to award a lease without
 6 competitive bidding.

7 **SEC. 305. OPENING OF PUBLIC LANDS UNDER MILITARY JU-**
 8 **RISDICTION.**

9 (a) IN GENERAL.—Except as otherwise provided in
 10 the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et
 11 seq.) and other provisions of Federal law applicable to de-
 12 velopment of geothermal energy resources within public
 13 lands, all public lands under the jurisdiction of a Secretary
 14 of a military department shall be open to the operation
 15 of such laws and development and utilization of geo-
 16 thermal steam and associated geothermal resources, as
 17 that term is defined in section 2 of the Geothermal Steam
 18 Act of 1970 (30 U.S.C. 1001)), without the necessity for
 19 further action by the Secretary or the Congress.

20 (b) CONFORMING AMENDMENT.—Section 2689 of
 21 title 10, United States Code, is amended by striking “in-
 22 cluding public lands,” and inserting “, other than public
 23 lands,”.

24 (c) TREATMENT OF EXISTING LEASES.—Upon the
 25 expiration of any lease in effect on the date of the enact-

1 ment of this Act of public lands under the jurisdiction of
2 a military department for the development of any geo-
3 thermal resource, such lease may, at the option of the
4 lessee—

5 (1) be treated as a lease under the Geothermal
6 Steam Act of 1970 (30 U.S.C. 1001 et seq.), and be
7 renewed in accordance with such Act; or

8 (2) be renewed in accordance with the terms of
9 the lease, if such renewal is authorized by such
10 terms.

11 (d) REGULATIONS.—The Secretary of the Interior,
12 with the advice and concurrence of the Secretary of the
13 military department concerned, shall prescribe such regu-
14 lations to carry out this section as may be necessary. Such
15 regulations shall contain guidelines to assist in deter-
16 mining how much, if any, of the surface of any lands
17 opened pursuant to this section may be used for purposes
18 incident to geothermal energy resources development and
19 utilization.

20 (e) CLOSURE FOR PURPOSES OF NATIONAL DE-
21 FENSE OR SECURITY.—In the event of a national emer-
22 gency or for purposes of national defense or security, the
23 Secretary of the Interior, at the request of the Secretary
24 of the military department concerned, shall close any lands

1 that have been opened to geothermal energy resources
 2 leasing pursuant to this section.

3 **SEC. 306. APPLICATION OF AMENDMENTS.**

4 The amendments made by this title apply with re-
 5 spect to any lease executed before, on, or after the date
 6 of the enactment of this Act.

7 **SEC. 307. REVIEW AND REPORT TO CONGRESS.**

8 The Secretary of the Interior shall promptly review
 9 and report to the Congress regarding the status of all mor-
 10 atoria on and withdrawals from leasing under the Geo-
 11 thermal Steam Act of 1970 (30 U.S.C. 1001 et seq.) of
 12 known geothermal resources areas (as that term is defined
 13 in section 2 of that Act (30 U.S.C. 1001), specifying for
 14 each such area whether the basis for such moratoria or
 15 withdrawal still applies.

16 **SEC. 308. REIMBURSEMENT FOR COSTS OF NEPA ANAL-**
 17 **YSES, DOCUMENTATION, AND STUDIES.**

18 (a) IN GENERAL.—The Geothermal Steam Act of
 19 1970 (30 U.S.C. 1001 et seq.) is amended by adding at
 20 the end the following:

21 “REIMBURSEMENT FOR COSTS OF CERTAIN ANALYSES,
 22 DOCUMENTATION, AND STUDIES

23 “SEC. 30. (a) IN GENERAL.—The Secretary of the
 24 Interior shall reimburse a person who is a lessee, operator,
 25 operating rights owner, or applicant for a lease under this
 26 Act for costs incurred by the person in preparing any

1 project-level analysis, documentation, or related study re-
2 quired under the National Environmental Policy Act of
3 1969 (42 U.S.C. 4321 et seq.) with respect to the lease,
4 through royalty credits attributable to the lease, unit
5 agreement, or project area for which the analysis, docu-
6 mentation, or related study is prepared.

7 “(b) CONDITIONS.—The Secretary shall provide re-
8 imbursement under subsection (b) only if—

9 “(1) adequate funding to enable the Secretary
10 to timely prepare the analysis, documentation, or re-
11 lated study is not appropriated;

12 “(2) the person paid the costs voluntarily; and

13 “(3) the person maintains records of its costs
14 in accordance with regulations prescribed by the
15 Secretary.”.

16 (b) APPLICATION.—The amendments made by this
17 section shall apply with respect to any lease entered into
18 before, on, or after the date of the enactment of this Act.

19 (c) DEADLINE FOR REGULATIONS.—The Secretary
20 shall issue regulations implementing the amendments
21 made by this section by not later than 90 days after the
22 date of the enactment of this Act.

TITLE IV—HYDROPOWER

SEC. 401. STUDY AND REPORT ON INCREASING ELECTRIC POWER PRODUCTION CAPABILITY OF EXIST- ING FACILITIES.

(a) IN GENERAL.—The Secretary of the Interior shall conduct a study of the potential for increasing electric power production capability at existing facilities under the administrative jurisdiction of the Secretary.

(b) CONTENT.—The study under this section shall include identification and description in detail of each facility that is capable, with or without modification, of producing additional hydroelectric power, including estimation of the existing potential for the facility to generate hydroelectric power.

(c) REPORT.—The Secretary shall submit to the Congress a report on the findings, conclusions, and recommendations of the study under this section by not later than 12 months after the date of enactment of this Act. The Secretary shall include in the report the following:

(1) The identifications, descriptions, and estimations referred to in subsection (b).

(2) A description of activities the Secretary is currently conducting or considering, or that could be considered, to produce additional hydroelectric power from each identified facility.

1 (3) A summary of action that has already been
2 taken by the Secretary to produce additional hydro-
3 electric power from each identified facility.

4 (4) The costs to install, upgrade, or modify
5 equipment or take other actions to produce addi-
6 tional hydroelectric power from each identified facil-
7 ity.

8 (5) The benefits that would be achieved by such
9 installation, upgrade, modification, or other action,
10 including quantified estimates of any additional en-
11 ergy or capacity from each facility identified under
12 subsection (b).

13 (6) A description of actions that are planned,
14 underway, or might reasonably be considered to in-
15 crease hydroelectric power production by replacing
16 turbine runners.

17 (7) A description of actions that are planned,
18 underway, or might reasonably be considered to in-
19 crease hydroelectric power production by performing
20 generator uprates and rewinds.

21 (8) Any additional recommendations the Sec-
22 retary considers advisable to increase hydroelectric
23 power production from, and reduce costs and im-
24 prove efficiency at, facilities under the jurisdiction of
25 the Secretary.

1 **SEC. 402. INSTALLATION OF POWERFORMER AT FOLSOM**
2 **POWER PLANT, CALIFORNIA.**

3 (a) IN GENERAL.—The Secretary of the Interior may
4 install a powerformer at the Bureau of Reclamation Fol-
5 som power plant in Folsom, California, to replace a gener-
6 ator and transformer that are due for replacement due
7 to age.

8 (b) REIMBURSABLE COSTS.—Costs incurred by the
9 United States for installation of a powerformer under this
10 section shall be treated as reimbursable costs and shall
11 bear interest at current long-term borrowing rates of the
12 United States Treasury at the time of acquisition.

13 (c) LOCAL COST SHARING.—In addition to reimburs-
14 able costs under subsection (b), the Secretary shall seek
15 contributions from power users toward the costs of the
16 powerformer and its installation.

17 **SEC. 403. CONSERVATION THROUGH PUMP MODERNIZA-**
18 **TION.**

19 (a) PUMP REPLACEMENT PROGRAM.—The Secretary
20 of the Interior shall—

21 (1) conduct a study to determine what pumps
22 associated with water delivery projects should be re-
23 placed, based on a cost-benefit analysis of modern-
24 izing pumping installations, including determination
25 and consideration of the savings in energy costs that
26 would result from such replacement; and

1 (2) based on the findings of the study, replace
 2 each pump for which the benefits of such replace-
 3 ment (including such energy costs savings) is greater
 4 than the cost of the pump replacement.

5 (b) COSTS.—

6 (1) REIMBURSABLE COSTS.—The costs incurred
 7 by the United States for replacement of any pump
 8 under this section shall be treated as reimbursable
 9 costs and shall bear interest at current long-term
 10 borrowing rates of the United States Treasury at
 11 the time of acquisition.

12 (2) LOCAL COST SHARING.—In addition to re-
 13 imbursable costs under paragraph (1), the Secretary
 14 shall secure customer funding of the costs of pump
 15 replacements under this section.

16 (c) AUTHORIZATION OF APPROPRIATIONS.—For re-
 17 placement of pumps under this section there is authorized
 18 to be appropriated to the Secretary \$20,000,000.

19 **SEC. 404. STUDY AND IMPLEMENTATION OF INCREASED**
 20 **OPERATIONAL EFFICIENCIES IN HYDRO-**
 21 **ELECTRIC POWER PROJECTS.**

22 (a) IN GENERAL.—The Secretary of Interior shall
 23 conduct a study of operational methods and water sched-
 24 uling techniques at all hydroelectric power plants under
 25 the administrative jurisdiction of the Secretary that have

1 an electric power production capacity greater than 50
2 megawatts, to—

3 (1) determine whether such power plants and
4 associated river systems are operated so as to maxi-
5 mize energy and capacity capabilities; and

6 (2) identify measures that can be taken to im-
7 prove operational flexibility at such plants to achieve
8 such maximization.

9 (b) REPORT.—The Secretary shall submit a report on
10 the findings, conclusions, and recommendations of the
11 study under this section by not later than 18 months after
12 the date of the enactment of this Act, including a sum-
13 mary of the determinations and identifications under
14 paragraphs (1) and (2) of subsection (a).

15 (c) COOPERATION BY FEDERAL POWER MARKETING
16 ADMINISTRATIONS.—The Secretary shall coordinate with
17 the Administrator of each Federal power marketing ad-
18 ministration in—

19 (1) determining how the value of electric power
20 produced by each hydroelectric power facility that
21 produces power marketed by the administration can
22 be maximized; and

23 (2) implementing measures identified under
24 subsection (a)(2).

1 (d) LIMITATION ON IMPLEMENTATION OF MEAS-
2 URES.—Implementation under subsections (a)(2) and
3 (b)(2) shall be limited to those measures that can be im-
4 plemented within the constraints imposed on Department
5 of the Interior facilities by other uses required by law.

6 **SEC. 405. SHIFT OF PROJECT LOADS TO OFF-PEAK PERI-**
7 **ODS.**

8 (a) IN GENERAL.—The Secretary of the Interior
9 shall—

10 (1) review electric power consumption by Bu-
11 reau of Reclamation facilities for water pumping
12 purposes; and

13 (2) make such adjustments in such pumping as
14 possible to minimize the amount of electric power
15 consumed for such pumping during periods of peak
16 electric power consumption, including by performing
17 as much of such pumping as possible during off-
18 peak hours at night.

19 (b) CONSENT OF AFFECTED IRRIGATION CUSTOMERS
20 REQUIRED.—The Secretary may not under this section
21 make any adjustment in pumping at a facility without the
22 consent of each person that has contracted with the
23 United States for delivery of water from the facility for
24 use for irrigation and that would be affected by such ad-
25 justment.

1 (c) EXISTING OBLIGATIONS NOT AFFECTED.—This
2 section shall not be construed to affect any existing obliga-
3 tion of the Secretary to provide electric power, water, or
4 other benefits from Bureau of Reclamation facilities.

5 **TITLE V—ARCTIC COASTAL**
6 **PLAIN DOMESTIC ENERGY**

7 **SEC. 501. SHORT TITLE.**

8 This title may be cited as the “Arctic Coastal Plain
9 Domestic Energy Security Act of 2001”.

10 **SEC. 502. DEFINITIONS.**

11 In this title:

12 (1) COASTAL PLAIN.—The term “Coastal
13 Plain” means that area identified as such in the
14 map entitled “Arctic National Wildlife Refuge”,
15 dated August 1980, as referenced in section 1002(b)
16 of the Alaska National Interest Lands Conservation
17 Act of 1980 (16 U.S.C. 3142(b)(1)), comprising ap-
18 proximately 1,549,000 acres.

19 (2) SECRETARY.—The term “Secretary”, except
20 as otherwise provided, means the Secretary of the
21 Interior or the Secretary’s designee.

22 **SEC. 503. LEASING PROGRAM FOR LANDS WITHIN THE**
23 **COASTAL PLAIN.**

24 (a) IN GENERAL.—The Secretary shall take such ac-
25 tions as are necessary—

1 (1) to establish and implement in accordance
2 with this title a competitive oil and gas leasing pro-
3 gram under the Mineral Leasing Act (30 U.S.C. 181
4 et seq.) that will result in an environmentally sound
5 program for the exploration, development, and pro-
6 duction of the oil and gas resources of the Coastal
7 Plain; and

8 (2) to administer the provisions of this title
9 through regulations, lease terms, conditions, restric-
10 tions, prohibitions, stipulations, and other provisions
11 that ensure the oil and gas exploration, development,
12 and production activities on the Coastal Plain will
13 result in no significant adverse effect on fish and
14 wildlife, their habitat, subsistence resources, and the
15 environment, and including, in furtherance of this
16 goal, by requiring the application of the best com-
17 mercially available technology for oil and gas explo-
18 ration, development, and production to all explo-
19 ration, development, and production operations
20 under this title in a manner that ensures the receipt
21 of fair market value by the public for the mineral re-
22 sources to be leased.

23 (b) REPEAL.—Section 1003 of the Alaska National
24 Interest Lands Conservation Act of 1980 (16 U.S.C.
25 3143) is repealed.

1 (c) COMPLIANCE WITH REQUIREMENTS UNDER CER-
2 TAIN OTHER LAWS.—

3 (1) COMPATIBILITY.—For purposes of the Na-
4 tional Wildlife Refuge System Administration Act of
5 1966, the oil and gas leasing program and activities
6 authorized by this section in the Coastal Plain are
7 deemed to be compatible with the purposes for which
8 the Arctic National Wildlife Refuge was established,
9 and that no further findings or decisions are re-
10 quired to implement this determination.

11 (2) ADEQUACY OF THE DEPARTMENT OF THE
12 INTERIOR'S LEGISLATIVE ENVIRONMENTAL IMPACT
13 STATEMENT.—The “Final Legislative Environ-
14 mental Impact Statement” (April 1987) on the
15 Coastal Plain prepared pursuant to section 1002 of
16 the Alaska National Interest Lands Conservation
17 Act of 1980 (16 U.S.C. 3142) and section 102(2)(C)
18 of the National Environmental Policy Act of 1969
19 (42 U.S.C. 4332(2)(C)) is deemed to satisfy the re-
20 quirements under the National Environmental Policy
21 Act of 1969 that apply with respect to actions au-
22 thorized to be taken by the Secretary to develop and
23 promulgate the regulations for the establishment of
24 a leasing program authorized by this title before the
25 conduct of the first lease sale.

1 (3) COMPLIANCE WITH NEPA FOR OTHER AC-
2 TIONS.—Before conducting the first lease sale under
3 this title, the Secretary shall prepare an environ-
4 mental impact statement under the National Envi-
5 ronmental Policy Act of 1969 with respect to the ac-
6 tions authorized by this title that are not referred to
7 in paragraph (2). Notwithstanding any other law,
8 the Secretary is not required to identify nonleasing
9 alternative courses of action or to analyze the envi-
10 ronmental effects of such courses of action. The Sec-
11 retary shall only identify a preferred action for such
12 leasing and a single leasing alternative, and analyze
13 the environmental effects and potential mitigation
14 measures for those two alternatives. The identifica-
15 tion of the preferred action and related analysis for
16 the first lease sale under this title shall be completed
17 within 18 months after the date of enactment of this
18 Act. The Secretary shall only consider public com-
19 ments that specifically address the Secretary’s pre-
20 ferred action and that are filed within 20 days after
21 publication of an environmental analysis. Notwith-
22 standing any other law, compliance with this para-
23 graph is deemed to satisfy all requirements for the
24 analysis and consideration of the environmental ef-
25 fects of proposed leasing under this title.

1 (d) RELATIONSHIP TO STATE AND LOCAL AUTHOR-
2 ITY.—Nothing in this title shall be considered to expand
3 or limit State and local regulatory authority.

4 (e) SPECIAL AREAS.—

5 (1) IN GENERAL.—The Secretary, after con-
6 sultation with the State of Alaska, the city of
7 Kaktovik, and the North Slope Borough, may des-
8 ignate up to a total of 45,000 acres of the Coastal
9 Plain as a Special Area if the Secretary determines
10 that the Special Area is of such unique character
11 and interest so as to require special management
12 and regulatory protection. The Secretary shall des-
13 ignate as such a Special Area the Sadlerochit Spring
14 area, comprising approximately 4,000 acres as de-
15 picted on the map referred to in section 502(1).

16 (2) MANAGEMENT.—Each such Special Area
17 shall be managed so as to protect and preserve the
18 area's unique and diverse character including its
19 fish, wildlife, and subsistence resource values.

20 (3) EXCLUSION FROM LEASING OR SURFACE
21 OCCUPANCY.—The Secretary may exclude any Spe-
22 cial Area from leasing. If the Secretary leases a Spe-
23 cial Area, or any part thereof, for purposes of oil
24 and gas exploration, development, production, and

1 related activities, there shall be no surface occu-
2 pancy of the lands comprising the Special Area.

3 (4) DIRECTIONAL DRILLING.—Notwithstanding
4 the other provisions of this subsection, the Secretary
5 may lease all or a portion of a Special Area under
6 terms that permit the use of horizontal drilling tech-
7 nology from sites on leases located outside the area.

8 (f) LIMITATION ON CLOSED AREAS.—The Sec-
9 retary's sole authority to close lands within the Coastal
10 Plain to oil and gas leasing and to exploration, develop-
11 ment, and production is that set forth in this title.

12 (g) REGULATIONS.—

13 (1) IN GENERAL.—The Secretary shall pre-
14 scribe such regulations as may be necessary to carry
15 out this title, including rules and regulations relating
16 to protection of the fish and wildlife, their habitat,
17 subsistence resources, and environment of the Coast-
18 al Plain, by no later than 15 months after the date
19 of enactment of this Act.

20 (2) REVISION OF REGULATIONS.—The Sec-
21 retary shall periodically review and, if appropriate,
22 revise the rules and regulations issued under sub-
23 section (a) to reflect any significant biological, envi-
24 ronmental, or engineering data that come to the Sec-
25 retary's attention.

1 **SEC. 504. LEASE SALES.**

2 (a) IN GENERAL.—Lands may be leased pursuant to
3 this title to any person qualified to obtain a lease for de-
4 posits of oil and gas under the Mineral Leasing Act (30
5 U.S.C. 181 et seq.).

6 (b) PROCEDURES.—The Secretary shall, by regula-
7 tion, establish procedures for—

8 (1) receipt and consideration of sealed nomina-
9 tions for any area in the Coastal Plain for inclusion
10 in, or exclusion (as provided in subsection (c)) from,
11 a lease sale;

12 (2) the holding of lease sales after such nomina-
13 tion process; and

14 (3) public notice of and comment on designa-
15 tion of areas to be included in, or excluded from, a
16 lease sale.

17 (c) LEASE SALE BIDS.—Bidding for leases under
18 this title shall be by sealed competitive cash bonus bids.

19 (d) ACREAGE MINIMUM IN FIRST SALE.—In the first
20 lease sale under this title, the Secretary shall offer for
21 lease those tracts the Secretary considers to have the
22 greatest potential for the discovery of hydrocarbons, tak-
23 ing into consideration nominations received pursuant to
24 subsection (b)(1), but in no case less than 200,000 acres.

25 (e) TIMING OF LEASE SALES.—The Secretary
26 shall—

1 (1) conduct the first lease sale under this title
 2 within 22 months after the date of enactment of this
 3 title; and

4 (2) conduct additional sales so long as sufficient
 5 interest in development exists to warrant, in the Sec-
 6 retary's judgment, the conduct of such sales.

7 **SEC. 505. GRANT OF LEASES BY THE SECRETARY.**

8 (a) IN GENERAL.—The Secretary may grant to the
 9 highest responsible qualified bidder in a lease sale con-
 10 ducted pursuant to section 504 any lands to be leased on
 11 the Coastal Plain upon payment by the lessee of such
 12 bonus as may be accepted by the Secretary.

13 (b) SUBSEQUENT TRANSFERS.—No lease issued
 14 under this title may be sold, exchanged, assigned, sublet,
 15 or otherwise transferred except with the approval of the
 16 Secretary. Prior to any such approval the Secretary shall
 17 consult with, and give due consideration to the views of,
 18 the Attorney General.

19 **SEC. 506. LEASE TERMS AND CONDITIONS.**

20 (a) IN GENERAL.—An oil or gas lease issued pursu-
 21 ant to this title shall—

22 (1) provide for the payment of a royalty of not
 23 less than 12½ percent in amount or value of the
 24 production removed or sold from the lease, as deter-

1 mined by the Secretary under the regulations appli-
2 cable to other Federal oil and gas leases;

3 (2) provide that the Secretary may close, on a
4 seasonal basis, portions of the Coastal Plain to ex-
5 ploratory drilling activities as necessary to protect
6 caribou calving areas and other species of fish and
7 wildlife;

8 (3) require that the lessee of lands within the
9 Coastal Plain shall be fully responsible and liable for
10 the reclamation of lands within the Coastal Plain
11 and any other Federal lands that are adversely af-
12 fected in connection with exploration, development,
13 production, or transportation activities conducted
14 under the lease and within the Coastal Plain by the
15 lessee or by any of the subcontractors or agents of
16 the lessee;

17 (4) provide that the lessee may not delegate or
18 convey, by contract or otherwise, the reclamation re-
19 sponsibility and liability to another person without
20 the express written approval of the Secretary;

21 (5) provide that the standard of reclamation for
22 lands required to be reclaimed under this title shall
23 be, as nearly as practicable, a condition capable of
24 supporting the uses which the lands were capable of
25 supporting prior to any exploration, development, or

1 production activities, or upon application by the les-
2 see, to a higher or better use as approved by the
3 Secretary;

4 (6) contain terms and conditions relating to
5 protection of fish and wildlife, their habitat, and the
6 environment as required pursuant to section
7 503(a)(2);

8 (7) provide that the lessee, its agents, and its
9 contractors use best efforts to provide a fair share,
10 as determined by the level of obligation previously
11 agreed to in the 1974 agreement implementing sec-
12 tion 29 of the Federal Agreement and Grant of
13 Right of Way for the Operation of the Trans-Alaska
14 Pipeline, of employment and contracting for Alaska
15 Natives and Alaska Native Corporations from
16 throughout the State; and

17 (8) contain such other provisions as the Sec-
18 retary determines necessary to ensure compliance
19 with the provisions of this title and the regulations
20 issued under this title.

21 (b) PROJECT LABOR AGREEMENTS.—The Secretary,
22 as a term and condition of each lease under this title and
23 in recognizing the Government's proprietary interest in
24 labor stability and in the ability of construction labor and
25 management to meet the particular needs and conditions

1 of projects to be developed under the leases issued pursu-
2 ant to this title and the special concerns of the parties
3 to such leases, shall require that the lessee and its agents
4 and contractors negotiate to obtain a project labor agree-
5 ment for the employment of laborers and mechanics on
6 production, maintenance, and construction under the
7 lease.

8 **SEC. 507. COASTAL PLAIN ENVIRONMENTAL PROTECTION.**

9 (a) NO SIGNIFICANT ADVERSE EFFECT STANDARD
10 TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.—
11 The Secretary shall, consistent with the requirements of
12 section 503, administer the provisions of this title through
13 regulations, lease terms, conditions, restrictions, prohibi-
14 tions, stipulations, and other provisions that—

15 (1) ensure the oil and gas exploration, develop-
16 ment, and production activities on the Coastal Plain
17 will result in no significant adverse effect on fish
18 and wildlife, their habitat, and the environment; and

19 (2) require the application of the best commer-
20 cially available technology for oil and gas explo-
21 ration, development, and production on all new ex-
22 ploration, development, and production operations.

23 (b) SITE-SPECIFIC ASSESSMENT AND MITIGATION.—
24 The Secretary shall also require, with respect to any pro-
25 posed drilling and related activities, that—

1 (1) a site-specific analysis be made of the prob-
2 able effects, if any, that the drilling or related activi-
3 ties will have on fish and wildlife, their habitat, and
4 the environment;

5 (2) a plan be implemented to avoid, minimize,
6 and mitigate (in that order and to the extent prac-
7 ticable) any significant adverse effect identified
8 under paragraph (1); and

9 (3) the development of the plan shall occur
10 after consultation with the agency or agencies hav-
11 ing jurisdiction over matters mitigated by the plan.

12 (c) REGULATIONS TO PROTECT COASTAL PLAIN
13 FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS,
14 AND THE ENVIRONMENT.—Before implementing the leas-
15 ing program authorized by this title, the Secretary shall
16 prepare and promulgate regulations, lease terms, condi-
17 tions, restrictions, prohibitions, stipulations, and other
18 measures designed to ensure that the activities undertaken
19 on the Coastal Plain under this title are conducted in a
20 manner consistent with the purposes and environmental
21 requirements of this title.

22 (d) COMPLIANCE WITH FEDERAL AND STATE ENVI-
23 RONMENTAL LAWS AND OTHER REQUIREMENTS.—The
24 proposed regulations, lease terms, conditions, restrictions,
25 prohibitions, and stipulations for the leasing program

1 under this title shall require compliance with all applicable
2 provisions of Federal and State environmental law and
3 shall also require the following:

4 (1) Standards at least as effective as the safety
5 and environmental mitigation measures set forth in
6 items 1 through 29 at pages 167 through 169 of the
7 “Final Legislative Environmental Impact State-
8 ment” (April 1987) on the Coastal Plain.

9 (2) Seasonal limitations on exploration, develop-
10 ment, and related activities, where necessary, to
11 avoid significant adverse effects during periods of
12 concentrated fish and wildlife breeding, denning,
13 nesting, spawning, and migration.

14 (3) That exploration activities, except for sur-
15 face geological studies, be limited to the period be-
16 tween approximately November 1 and May 1 each
17 year and that exploration activities shall be sup-
18 ported by ice roads, winter trails with adequate snow
19 cover, ice pads, ice airstrips, and air transport meth-
20 ods, except that such exploration activities may
21 occur at other times, if—

22 (A) the Secretary determines, after afford-
23 ing an opportunity for public comment and re-
24 view, that special circumstances exist necessi-

1 tating that exploration activities be conducted
2 at other times of the year; and

3 (B) the Secretary finds that such explo-
4 ration will have no significant adverse effect on
5 the fish and wildlife, their habitat, and the envi-
6 ronment of the Coastal Plain.

7 (4) Design safety and construction standards
8 for all pipelines and any access and service roads,
9 that—

10 (A) minimize, to the maximum extent pos-
11 sible, adverse effects upon the passage of mi-
12 gratory species such as caribou; and

13 (B) minimize adverse effects upon the flow
14 of surface water by requiring the use of cul-
15 verts, bridges, and other structural devices.

16 (5) Prohibitions on public access and use on all
17 pipeline access and service roads.

18 (6) Stringent reclamation and rehabilitation re-
19 quirements, consistent with the standards set forth
20 in this title, requiring the removal from the Coastal
21 Plain of all oil and gas development and production
22 facilities, structures, and equipment upon completion
23 of oil and gas production operations, except that the
24 Secretary may exempt from the requirements of this
25 paragraph those facilities, structures, or equipment

1 that the Secretary determines would assist in the
2 management of the Arctic National Wildlife Refuge
3 and that are donated to the United States for that
4 purpose.

5 (7) Appropriate prohibitions or restrictions on
6 access by all modes of transportation.

7 (8) Appropriate prohibitions or restrictions on
8 sand and gravel extraction.

9 (9) Consolidation of facility siting.

10 (10) Appropriate prohibitions or restrictions on
11 use of explosives.

12 (11) Avoidance, to the extent practicable, of
13 springs, streams, and river system; the protection of
14 natural surface drainage patterns, wetlands, and ri-
15 parian habitats; and the regulation of methods or
16 techniques for developing or transporting adequate
17 supplies of water for exploratory drilling.

18 (12) Avoidance or reduction of air traffic-re-
19 lated disturbance to fish and wildlife.

20 (13) Treatment and disposal of hazardous and
21 toxic wastes, solid wastes, reserve pit fluids, drilling
22 muds and cuttings, and domestic wastewater, includ-
23 ing an annual waste management report, a haz-
24 ardous materials tracking system, and a prohibition

1 on chlorinated solvents, in accordance with applica-
2 ble Federal and State environmental law.

3 (14) Fuel storage and oil spill contingency plan-
4 ning.

5 (15) Research, monitoring, and reporting re-
6 quirements.

7 (16) Field crew environmental briefings.

8 (17) Avoidance of significant adverse effects
9 upon subsistence hunting, fishing, and trapping by
10 subsistence users.

11 (18) Compliance with applicable air and water
12 quality standards.

13 (19) Appropriate seasonal and safety zone des-
14 ignations around well sites, within which subsistence
15 hunting and trapping shall be limited.

16 (20) Reasonable stipulations for protection of
17 cultural and archeological resources.

18 (21) All other protective environmental stipula-
19 tions, restrictions, terms, and conditions deemed
20 necessary by the Secretary.

21 (e) CONSIDERATIONS.—In preparing and promul-
22 gating regulations, lease terms, conditions, restrictions,
23 prohibitions, and stipulations under this section, the Sec-
24 retary shall consider the following:

1 (1) The stipulations and conditions that govern
2 the National Petroleum Reserve-Alaska leasing pro-
3 gram, as set forth in the 1999 Northeast National
4 Petroleum Reserve-Alaska Final Integrated Activity
5 Plan/Environmental Impact Statement.

6 (2) The environmental protection standards
7 that governed the initial Coastal Plain seismic explo-
8 ration program under parts 37.31 to 37.33 of title
9 50, Code of Federal Regulations.

10 (3) The land use stipulations for exploratory
11 drilling on the KIC–ASRC private lands that are set
12 forth in Appendix 2 of the August 9, 1983, agree-
13 ment between Arctic Slope Regional Corporation and
14 the United States.

15 (f) FACILITY CONSOLIDATION PLANNING.—

16 (1) IN GENERAL.—The Secretary shall, after
17 providing for public notice and comment, prepare
18 and update periodically a plan to govern, guide, and
19 direct the siting and construction of facilities for the
20 exploration, development, production, and transpor-
21 tation of Coastal Plain oil and gas resources.

22 (2) OBJECTIVES.—The plan shall have the fol-
23 lowing objectives:

24 (A) Avoiding unnecessary duplication of fa-
25 cilities and activities.

1 (B) Encouraging consolidation of common
2 facilities and activities.

3 (C) Locating or confining facilities and ac-
4 tivities to areas that will minimize impact on
5 fish and wildlife, their habitat, and the environ-
6 ment.

7 (D) Utilizing existing facilities wherever
8 practicable.

9 (E) Enhancing compatibility between wild-
10 life values and development activities.

11 **SEC. 508. EXPEDITED JUDICIAL REVIEW.**

12 (a) FILING OF COMPLAINT.—

13 (1) DEADLINE.—Subject to paragraph (2), any
14 complaint seeking judicial review of any provision of
15 this title or any action of the Secretary under this
16 title shall be filed in any appropriate district court
17 of the United States—

18 (A) except as provided in subparagraph
19 (B), within the 90-day period beginning on the
20 date of the action being challenged; or

21 (B) in the case of a complaint based solely
22 on grounds arising after such period, within 90
23 days after the complainant knew or reasonably
24 should have known of the grounds for the com-
25 plaint.

1 (2) VENUE.—Any complaint seeking judicial re-
2 view of an action of the Secretary under this title
3 may be filed only in the United States Court of Ap-
4 peals for the District of Columbia.

5 (3) LIMITATION ON SCOPE OF CERTAIN RE-
6 VIEW.—Judicial review of a Secretarial decision to
7 conduct a lease sale under this title, including the
8 environmental analysis thereof, shall be limited to
9 whether the Secretary has complied with the terms
10 of this Act and shall be based upon the administra-
11 tive record of that decision. The Secretary's identi-
12 fication of a preferred course of action to enable
13 leasing to proceed and the Secretary's analysis of
14 environmental effects under this Act shall be pre-
15 sumed to be correct unless shown otherwise by clear
16 and convincing evidence to the contrary.

17 (b) LIMITATION ON OTHER REVIEW.—Actions of the
18 Secretary with respect to which review could have been
19 obtained under this section shall not be subject to judicial
20 review in any civil or criminal proceeding for enforcement.

21 **SEC. 509. RIGHTS-OF-WAY ACROSS THE COASTAL PLAIN.**

22 (a) EXEMPTION.—Title XI of the Alaska National In-
23 terest Lands Conservation Act of 1980 (16 U.S.C. 3161
24 et seq.) shall not apply to the issuance by the Secretary
25 under section 28 of the Mineral Leasing Act (30 U.S.C.

1 185) of rights-of-way and easements across the Coastal
2 Plain for the transportation of oil and gas.

3 (b) TERMS AND CONDITIONS.—The Secretary shall
4 include in any right-of-way or easement referred to in sub-
5 section (a) such terms and conditions as may be necessary
6 to ensure that transportation of oil and gas does not result
7 in a significant adverse effect on the fish and wildlife, sub-
8 sistence resources, their habitat, and the environment of
9 the Coastal Plain, including requirements that facilities be
10 sited or designed so as to avoid unnecessary duplication
11 of roads and pipelines.

12 (c) REGULATIONS.—The Secretary shall include in
13 regulations under section 503(g) provisions granting
14 rights-of-way and easements described in subsection (a)
15 of this section.

16 **SEC. 510. CONVEYANCE.**

17 In order to maximize Federal revenues by removing
18 clouds on title to lands and clarifying land ownership pat-
19 terns within the Coastal Plain, the Secretary, notwith-
20 standing the provisions of section 1302(h)(2) of the Alas-
21 ka National Interest Lands Conservation Act (16 U.S.C.
22 3192(h)(2)), shall convey—

23 (1) to the Kaktovik Inupiat Corporation the
24 surface estate of the lands described in paragraph 2
25 of Public Land Order 6959, to the extent necessary

1 to fulfill the Corporation's entitlement under section
2 12 of the Alaska Native Claims Settlement Act (43
3 U.S.C. 1611); and

4 (2) to the Arctic Slope Regional Corporation
5 the subsurface estate beneath such surface estate
6 pursuant to the August 9, 1983, agreement between
7 the Arctic Slope Regional Corporation and the
8 United States of America.

9 **SEC. 511. LOCAL GOVERNMENT IMPACT AID AND COMMU-**
10 **NITY SERVICE ASSISTANCE.**

11 (a) FINANCIAL ASSISTANCE AUTHORIZED.—

12 (1) IN GENERAL.—The Secretary may use
13 amounts available from the Coastal Plain Local Gov-
14 ernment Impact Aid Assistance Fund established by
15 subsection (d) to provide timely financial assistance
16 to entities that are eligible under paragraph (2) and
17 that are directly impacted by the exploration for or
18 production of oil and gas on the Coastal Plain under
19 this title.

20 (2) ELIGIBLE ENTITIES.—The North Slope
21 Borough, Kaktovik, and other boroughs, municipal
22 subdivisions, villages, and any other community or-
23 ganized under Alaska State law shall be eligible for
24 financial assistance under this section.

1 (b) USE OF ASSISTANCE.—Financial assistance
2 under this section may be used only for—

3 (1) planning for mitigation of the potential ef-
4 fects of oil and gas exploration and development on
5 environmental, social, cultural, recreational and sub-
6 sistence values;

7 (2) implementing mitigation plans and main-
8 taining mitigation projects; and

9 (3) developing, carrying out, and maintaining
10 projects and programs that provide new or expanded
11 public facilities and services to address needs and
12 problems associated with such effects, including fire-
13 fighting, police, water, waste treatment, medivac,
14 and medical services.

15 (c) APPLICATION.—

16 (1) IN GENERAL.—Any community that is eligi-
17 ble for assistance under this section may submit an
18 application for such assistance to the Secretary, in
19 such form and under such procedures as the Sec-
20 retary may prescribe by regulation.

21 (2) NORTH SLOPE BOROUGH COMMUNITIES.—A
22 community located in the North Slope Borough may
23 apply for assistance under this section either directly
24 to the Secretary or through the North Slope Bor-
25 ough.

1 (3) APPLICATION ASSISTANCE.—The Secretary
2 shall work closely with and assist the North Slope
3 Borough and other communities eligible for assist-
4 ance under this section in developing and submitting
5 applications for assistance under this section.

6 (d) ESTABLISHMENT OF FUND.—

7 (1) IN GENERAL.—There is established in the
8 Treasury the Coastal Plain Local Government Im-
9 pact Aid Assistance Fund.

10 (2) USE.—Amounts in the fund may be used
11 only for providing financial assistance under this
12 section.

13 (3) DEPOSITS.—Subject to paragraph (4), there
14 shall be deposited into the fund amounts received by
15 the United States as revenues derived from rents,
16 bonuses, and royalties under on leases and lease
17 sales authorized under this title.

18 (4) LIMITATION ON DEPOSITS.—The total
19 amount in the fund may not exceed \$10,000,000.

20 (5) INVESTMENT OF BALANCES.—The Sec-
21 retary of the Treasury shall invest amounts in the
22 fund in interest bearing government securities.

23 (e) AUTHORIZATION OF APPROPRIATIONS.—To pro-
24 vide financial assistance under this section there is author-
25 ized to be appropriated to the Secretary from the Coastal

- 1 Plain Local Government Impact Aid Assistance Fund
- 2 \$5,000,000 for each fiscal year.

